

## Message Text

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PAGE 01 ISLAMA 07880 01 OF 02 030844Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----058497 030847Z /10  
O 030610Z AUG 77  
FM AMEMBASNH ISLAMABAD  
TO SECSTATE WASHDC IMMEDIATE 3180

C O N F I D E N T I A L SECTION 1 OF 2 ISLAMABAD 7880

EXDIS

FROM AMBASSADOR FOR NEA SOBER AND AID/ASIA SULLIVAN

E.O. 11652: GDS  
TAGS: EAD, PK  
SUBJECT: FY-77 AID OBLIGATIONS

REF: STATE 7766

1. AS PROMISED REFTEL THIS MESSAGE OUTLINES AID OBLIGATION ACTIONS TO BE ACCOMPLISHED NEXT TWO MONTHS TO IMPLEMENT PLANNED FY 77 PROGRAM. ALL PROJECTS ARE RESPONSIVE TO NEW DIRECTIONS AND HAVE BEEN CONCEIVED AND PLANNED WITH PRIORITY CONCERN FOR DIRECT BENEFIT TO THE RURAL POOR.

2. AGRICULTURAL INPUTS PROJECT

(A) THIS PROJECT REQUIRES URGENT CONSIDERATION. TIME HAS ARRIVED WHEN, AS A MATTER OF GOOD FAITH, WE MUST TELL GOP WHETHER OR NOT WE WILL BE ABLE TO PROCEED ON SCHEDULE WITH AUTHORIZATION OF FY77 TRANCHE. INITIAL INVITATION FOR BIDS UNDER THIS TRANCHE SHOULD BE ISSUED BY MID-AUGUST. GENERAL SHORTAGES EXPECTED TO DEVELOP BEGINNING IN NOVEMBER, WHICH IS PEAK OFF-TAKE MONTH FOR MAIN WHEAT CROP, AND IN-COUNTRY STOCKS WILL BE NEAR ZERO BY END OF THE YEAR. GOPOS AUTHORITIES HAVE BEEN EXPECTING WORD AT ANY MOMENT RE PROJECT APPROVAL AND GO-AHEAD FOR ISSUANCE OF IFB'S AND  
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PROCUREMENT AGAINST EVENTUAL REPKBURSEMENT FROM PROJECT PROCEEDS.

(B) IF PROJECT IS TO GO FORWARD WE SHOULD CONVEY THAT APPROVAL NOW. IF WE WILL NOT SIGN THE LOAN IN THE NEAR FUTURE, OR IF THE SITUATION IS EXPECTED TO REMAIN UNCERTAIN FOR EXTENDED PERIOD, WE SHOULD INFORM GOP TO PERMIT THEM TO SEEK ASSISTANCE FROM OTHER SOURCES OR PROCURE FERTILIZER WITH

OWN FOREIGN EXCHANGE.

(C) FERTILIZER HAS BEEN CORNERSTONE AROUND WHICH SIGNIFICANT POLICY DECISIONS HAVE BEEN TAKEN BY GOVERNMENT OF PAKISTAN OVER PAST FEW YEARS RESULTING IN ESTABLISHMENT OF FLOOR PRICE FOR WHEAT, DE-NATIONALIZATION OF FERTILIZER DISTRIBUTION AND SUBSTANTIAL INCREASE IN WHEAT PRODUCTION. WITH INCREASED PRODUCTION, GOVERNMENT HAS FOUND IT POSSIBLE TO REMOVE PROHIBITION AGAINST INTER-DISTRICT MOVEMENT OF WHEAT, THUS LETTING MARKET FORCES PLAY ROLE IN MOVEMENT FROM SURPLUS TO DEFICIT AREAS AND THEREBY PROVIDING ADDITIONAL STIMULUS TO PRODUCTION. DELAYS IN TIMELY FERTILIZER PROCUREMENT, HOWEVER, WILL QUICKLY DISRUPT MOMENTUM OF SUCCESSFUL EFFORTS OF PAST FEW YEARS TO INCREASE FERTILIZER UTILIZATION AND IMPROVE BALANCE BETWEEN UREA NAD PHOSPHATE. SHORTAGES WILL BE REFLECTED PROMPTLY IN PRODUCTION RESULTS.

(D) BELIEVE WE HAVE SATISFACTORILY RESPONDED TO OTHER QUESTIONS RAISED BY AID/W RE BAGGING EQUIPMENT AND PROCEDURES.

(E) IF, BECAUSE OF CONGRESSIONAL NOTIFICATION REQUIREMENT, IMMEDIATE AUTHORIZATION FOR \$35 MILLION NOT POSSIBLE, MISSION PROPOSES TWO-STEP ACTION FOR THIRD TRANCHE OF AG INPUTS PROJECT:

(I) IMMEDIATE AUTHORIZATION OF \$25 MILLION PROJECT (ALREADY APPROVED BY CONGRESS) INCLUDING AN ESTIMATED \$3 MILLION GRANT FUNDS FOR OCEAN FREIGHT DIFFERENTIAL AND AUTHORITY TO INFORM GOP  
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THAT PROJECT AGREEMENT WILL PERMIT REIMBURSEMENT FOR FERTILIZER PROCURED PURSUANT TO APPROVED IFB'S ISSUED ON OR AFTER AUGUST 1.

(II) PROCEED WITH CONGRESSIONAL NOTIFICATION AND AS SOON AS PRACTICABLE THEREAFTER, AUTHORIZATION OF ADDITIONAL \$10 MILLION, INCLUDING ESTIMATED \$1 MILLION GRANT FUNDS FOR OCEAN FREIGHT DIFFERENTIAL.

3. ADDITIONAL PROJECTED AUTHORIZATIONS/OBLIGATIONS FOR FOURTH QUARTER 1977

(A) EXPANDED POPULATION PLANNING - \$1.445 MILLION GRANT. THE PROJECT AGREEMENT IS IN DRAFT FORM. FUNDING PROVIDES ASSISTANCE FOR VOLUNTARY STERILIZATION IN FORM OF FACILITIES AND SOME EQUIPMENT TO BE LOCATED IN RECOGNIZED HOSPITALS AND MODEL CLINICS; TECHNICAL ASSISTANCE TO ASSIST WITH INFORMATION FEEDBACK SYSTEM AND MATERIALS FOR INFORMATION CLEARING HOUSE AND RESEARCH LIBRARY AND TEACHING PROGRAMS IN REGIONAL TRAINING INSTITUTES AND MEDICAL COLLEGES; AND PARTICIPANT TRAINING. THIS REFLECTS COMPONENT-SPECIFIC APPROACH WITH GOP. ALLOTMENT TO BE REQUESTED.

(B) POPULATION RESEARCH AND DEVELOPMENT - \$300 GRANT.

PROJECT PAPER IS IN AID/W FOR REVIEW. RESEARCH TO BE INCLUDED  
ON INCENTIVES, SEGMENTATION OF TARGET POPULATION FOR FAMILY PLANN-  
ING SERVICES AND MAXIMIZATION OF HOUSEHOLD CONTRACEPTIVE DIST-  
RIBUTION.

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ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
-----057887 030800Z /13

O 030610Z AUG 77  
FM AMEMBASSY ISLAMABAD  
TO SECSTATE WASHDC IMMEDIATE 3181

C O N F I D E N T I A L SECTION 2 OF 2 ISLAMABAD 7880

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FROM AMBASSADOR FOR NEA SOBER AND AID/ASIA SULLIVAN

(C) NUTRITION PLANNING AND RESEARCH - \$350,000 GRANT.  
TO VRHPC  
DEWSISTANCE TO GOP IN STRENGTHENING NATIONAL  
PLANNING CAPABILITY; TO DIRECT SURVEYS AND STUDIES,  
ANALYZE DATA AND RECOMMEND PROGRAMS LEADING TO A NATIONAL  
NUTRITION STRATEGY; AND TO PROVIDE RELATED TRAINING.  
CONTINUANCE OF PROJECT UNDER REVIEKUIN AID/W. ALLOTMENT  
TO BE REQUESTED.

(C) PRIMARY EDUATION - \$7 MILLION LOAN AND \$500,000  
GRANT.  
TO PROVIDE INITIAL ASSISTANCE TO COMPONENTS OF  
PRIMARY EDUCATION SYSTEM, INCLUDING INSTRUCTIONAL  
MATERIALS, TEACHER TRAINING AND YIMTED CONSTRUCTION  
OF CLASSROOMS AND FEMALE TEACHER HOUSING, OQHILE  
SUPPORTING STUDIES, EXPERIMENTATION AND EVALUATION OF  
PROGRAM'S INFLUENCE ON PRIMARY SCHOOL ATTENDANCE AND  
MEASURES NEEDED TO IMPROVE QUALITY/EFFICIENCY PROJECT  
PAPER UNDER PREPARATION DUE IN AID/W SEPTEMBER 1 FOR  
REVIEW.

(E) RURAL ROADS - \$8.7 MILLION LOAN.  
TO PROVIDE RURAL POOR WITH DEPENDABLE ROAD ACCESS

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TO DEVELOPMENT INPUTS, SOCIAL SERVICES AND JOBS;  
TO INTRODUCE IMPORTANT TECHNOLOGICAL IMPROVEMENTS IN  
SELECTION, DESIGN, CONSTRUCTION AND MAINTENANCE OF  
RURAL ROADS. PAPER NOW IN AID/W FOR REVIEW.

(F) MALARIA CONTROL AMENDMENT - \$4.0 MILLION LOAN.  
TO CONTINUE ASSISTANCE TO MALARIA CONTROL BY MEETING  
60 PERCENT OF F/X COSTS FOR FY 77. MINI PP NOW UNDER  
PREPARATION FOR SUBMISSION TO AID/W NLT SEPTEMBER 1.

(G) DEVELOPMENT SUPPORT COMMUNICATIONS CENTER -  
\$842,000 GRANT.  
TO ASSIST IN THE DESIGN, ESTABLISHMENT AND IMPLEMENTATION  
OF A SYSTEM TO IMPROVE THE SELECTION, QUALITY AND APPEAL  
OF MESSAGES AND INFORMATION CONVEYED THROUGH MASS MEDIA  
INVOLVING IMPORTANT DEVELOPMENT SECTORS. PROJECT PAPER  
IN AID/W FOR REVIEW.

4. EXPECT FOLLOWING FOURTH QUARTER OBLIGATIONS ON  
APPROVED PROJECTS:

(A) GASI (PARTICIPANTS) - \$100,000 ADDITIONAL GRANT  
TO ON-GOING APPROVED PROJECT TO MEET INCREASED DEMAND  
FOR TRAINING. SPECIFICS OF TRAINING BEING TELEGRAPHED  
WEEK OF AUGUST 1 TO AID/W.

(B) VILLAGE LEVEL FOOD PROCESSING - \$90,000 GRANT;  
SECOND INCREMENT FOR PROJECT. THIS IS AN APPROPRIATE  
TECHNOLOGY PROJECT TO DEVELOP IMPROVED METHODS  
VILLAGE-LEVEL PROCESSING SUGAR CANE, OILSEED AND RICE  
BRAN AND TO TEST IMPLICATIONS FOR POTENTIAL COMMERCIAL-  
IZATION OF IMPROVED TECHNOLOGY. PROJECT AGREEMENT  
BEING DRAFTED. FUNDS HAVE BEEN ALLOTTED.  
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(C) PAKISTAN INSTITUTE FOR DEVELOPMENT ECONOMICS -  
\$45,000 GRANT.  
TO PROVIDE ADDITIONAL PARTICIPANT TRAINING.  
MISSION HAS BEEN GRANTED ALLOTMENT AND PIO/P'S ARE  
UNDER PREPARATION.

(C) ATTA FORTIFICATION - \$370,000 GRANT.  
TO IMPROVE NUTRITIONAL STATUS OF POPULATION BY

PROVIDING B VITAMIN AND IRON TO FORTIFY FLOUR CONSUMED  
BY PAKISTANIS. PP WAS APPROVED AND NOW BEING RE-  
EXAMINED IN AID/W. EXPECT GOP APPROVAL  
MOF PROJECT  
BY MID-AUGUST. PROJECT AGREEMENT HAS BEEN DRAFTED.  
ALLOTMENT TO BE REQUESTED.  
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## Message Attributes

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**Review Markings:**  
Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
22 May 2009  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009